

RESOLUTION # 2007-02

WHEREAS, contingent upon the approval of the Attorney of City of Somerset (the "Lessee"), the City of Somerset desires to enter into that certain Lease-Purchase Agreement No.4549 by and between City of Somerset (Lessee) and Government Capital Corporation (Lessor) for the purpose of financing "Police Cruisers." The City of Somerset desires to designate this Agreement as a "qualified tax exempt obligation" of the City of Somerset for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

The City of Somerset desires to levy, for each year in which "Lease Payments" (as defined in the Lease-Purchase Agreement) come due, an ad-valorem tax within the limits prescribed by law that is sufficient (together with other funds lawfully available to the City of Somerset and applied to the purpose) to provide timely payment of the Lease Payments payable during such year. The City of Somerset desires to designate Fred Gonzales, Mayor, as an authorized signer of the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SOMERSET:

Section 1. That the City of Somerset will enter into a Lease-Purchase Agreement with Government Capital Corporation for the purpose of financing "Police Cruisers."

Section 2. That the Lease-Purchase Agreement dated as of April 10, 2007, by and between the City of Somerset and Government Capital Corporation is designated by the City of Somerset as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That for each year in which Lease Payments come due, there is hereby levied an ad-valorem tax within the limits prescribed by law that is sufficient (together with other funds lawfully available to the City of Somerset and applied to the purpose) to provide timely payment of the Lease Payments payable during such year.

Section 4. That the City of Somerset will designate Fred Gonzales, Mayor, as an authorized signer of the Lease-Purchase Agreement dated as of April 10, 2007, by and between the City of Somerset and Government Capital Corporation.

PASSED AND APPROVED by the Board of the City of Somerset in a meeting held on the X 10th day of April, 2007.

Lessee: City of Somerset

X Fred Gonzales
Fred Gonzales, Mayor

Witness Signature

X Ellen M. Hicks
Ellen Hicks, City Secretary